

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket Nos. D.T.E. 02-24/25
Responses to the Division of Energy Resources First Set of Information Requests

Request No. DOER 1-38 (Electric):

Please refer to Schedule KMA-3 (Electric). For each rate class, which of the Company's customer charges promotes the greatest rate efficiency, the Marginal Cost-based customer charge, the Preliminary rate-based customer charge, or the Proposed customer charge?

Response:

Considering the goal of efficiency alone, Marginal Cost would promote the greatest rate efficiency. Considering efficiency and that rates must cover the cost of serving the class, the Preliminary rates would promote the greatest rate efficiency. Due to rate continuity and requirements of the Restructuring Act, the Preliminary charges were adjusted in the final rate design.

Person Responsible: Karen M. Asbury